Message Text

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FM AMEMBASSY COPENHAGEN

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INFO USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY WARSAW

UNCLAS COPENHAGEN 0660

USDOC FOR SCHONING, BLONDIN, AND MILLER IN NATIONAL MARINE FISHERIES SERVICE

E.O. 11652: N/A

TAGS: EFIS, DA

SUBJECT: DANISH FISHERMAN PROTEST AS LOW PRICES CAUSE

DIFFICULTIES.

REF: COPENHAGEN 0397

1. SUMMARY: LOW PRICES FOR FISH ARE BEING PROTESTED BY DANISH FISHERMEN WHO ARE DEMANDING GOVERNMENT ASSISTANCE, ESPECIALLY SUBSIDIES ON FUEL AND ON EXPORTS. SOME FISHERMEN HAVE CALLED A TEMPORARY STOP TO FISHING AND SEVERAL PROCESSORS ARE EXPERIENCING DIFFICULTIES. LOW PRICES FOR COD FILLETS AND BLOCKS IN THE UNITED STATES AND FOR FISH MEAL ON THE WORLD MARKET ARE BLAMED FOR THE DIFFICULTIES. END SUMMARY.

2. ON MARCH 6, FISHERMEN AT THE IMPORTANT PORT OF UNCLASSIFIED

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HIRTSHALS DECIDED TO STOP FISHING IN PROTEST OF LOW

PRICES. TALKS ARE BEING HELD WITH FISHERMEN AT THE OTHER MAJOR PORTS ON THE DANISH WEST COAST SO THAT FISHING MAY ALSO BE BROUGHT TO A HALT AT THOSE PORTS. THE FISHING STOP IS EXPECTED TO BE OF SHORT DURATION.

- 3. THE MAIN CAUSE FOR THE PROTESTS IS LOW PRICES FOR COD AND FOR FISH USED IN REDUCTION TO ANIMAL FEED. COD AND REDUCTION FISH ACCOUNTED FOR TWO-THIRDS BY VALUE OF THE DANISH LANDINGS IN 1973 AND ARE ESTIMATED ABOUT THE SAME LEVEL IN 1974. COD PRICES HAVE BEEN AT OR NEAR THE MINIMUM PRICE LEVEL SET UNDER THE EC PRICE SUPPORT SCHEME. SUBSTANTIAL QUANTITIES OF FIRST QUALITY COD ARE STILL TAKEN OFF THE MARKET FOR HUMAN CONSUMPTION AND SOLD AS MINK FOOD (SEE REFTEL). REDUCTION FISH PRICES HAVE FALLEN FROM AROUND 0.60 TO 0.65 KRONER PER KG DURING THIS PERIOD LAST YEAR TO AROUND 0.20 TO 0.25 KRONER PER KG AT PRESENT.
- 4. ON THE OTHER HAND, FISHERMEN CLAIM THAT PRICES FOR FUEL HAVE MORE THAN DOUBLED AND THAT PRICES FOR OTHER SUPPLIES HAVE ALSO RISEN SHARPLY.
- 5. WEAK EXPORT MARKETS IN THE UNITED STATES FOR FROZEN COD FILLETS AND BLOCKS AND, IN EUROPE AND ELSEWHERE, FOR FISH MEAL HAVE ALSO BROUGHT DIFFICULTIES TO A NUMBER OF PROCESSING PLANTS, WITH SEVERAL REPORTEDLY EXPERIENCING FINANCIAL PROBLEMS.
- 6. THE DANES BELIEVE THAT MUCH OF THEIR PROBLEM IN EXPORTING FROZEN COD TO THE UNITED STATES COMES FROM EXPORT SUBSIDIES PAID BY THEIR MAJOR COMPETITORS, THE NORWEGIANS, ICELANDERS, AND CANADIANS. IN RESPONSE TO FISHERMEN DEMANDS, EXPORT SUBISDY MEASURES ARE BEING CONSIDERED BY THE DANISH GOVERNMENT EVEN THOUGH OFFICIALS BELIEVE THAT A SOLUTION MUST BE FOUND WITHIN THE COMMUNITY. BEGIN COMMENT: THE NORWEGIANS AND ICELANDERS HAVE A MARKETING SCHEME WHICH MAKES IT DIFFICULT TO DETERMINE THE EXTENT OF PRICE SUPPORTS. IN ADDITION, THE ICELANDIC DEVALUATION HAS HELPED THE COMPETITIVENESS OF ICELANDIC COD EXPORTS. THESE PLUS THECANADIANS PROBABLY UNCLASSIFIED

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HAVE LITTLE SYMPATHY FOR THE DANES WHO RECENTLY REFUSED TO CONTRIBUTE TO A SPECIAL FUND TO PROMOTE NORTH ATLANTIC FISH IN THE AMERICAN MARKET. END SOMMENT.

7. FALLING FISH PRICES HAVE ALSO BEEN CAUSING DIFFICULTIES IN THE FISHING INDUSTRY OF OTHER EC MEMBER STATES, E.G., FRANCE AND THE UNITED KINGDOM. DANISH OFFICIALS ARE MEETING WITH THEIR COUNTERPARTS TO SEEK ANSWERS TO THE

PROBLEM.

8. DANISH FISHERY ASSOCIATIONS ARE PLACING INCREASED PRESSURE ON THE GOVERNMENT NOT TO RENEW PERMISSION FOR POLISH FISHING VESSLES TO LAND FISH IN DENMARK; MUCH OF THE POLISHLANDED FISH IS PROCESSED INTO FROZEN FILLETS AND BLOCKS FOR EXPORT TO THE UNITED STATES.

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TAGS: EFIS, DA To: STATE

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